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ON PAGE A-1

NEW YORK TIMES  
26 DECEMBER 1982

# U.S. SURVEY SHOWS A STEADY GROWTH IN SOVIET'S G.N.P.

Broad Analysis by C.I.A. Cites  
4.8% Average Annual Rise  
Over the Last 30 Years

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, Dec. 25 — In a long analysis of the Soviet economy, the Central Intelligence Agency says the Soviet gross national product has grown at an annual rate of 4.8 percent, in Western terms, over the last three decades. But it adds that in recent years the increase has dropped to less than 3 percent a year because of poor harvests.

The 401-page study was released today by the Joint Economic Committee of Congress, which had commissioned it. Representative Henry S. Reuss, Democrat of Wisconsin, the committee chairman, said, "This important study helps put into perspective for Americans the fact that the U.S.S.R., far from being on the verge of collapse, has experienced major growth."

## Not in Dire Straits

Mr. Reuss noted that there had been a tendency by some commentators to argue that the Soviet economy was in dire straits and susceptible to Western pressures. But he said that on the basis of the intelligence agency's study, such conclusions were unwarranted.

The significance of the report, Mr. Reuss said in a statement that accompanied its release, is that for the first time the intelligence agency has put together a formula for estimating the Soviet economy that is comparable to the way Western economies are evaluated.

## Steady Rise in Arms Spending

Previously, he said, such analyses had been "dependent on incomplete Soviet statistics and accounting practices."

These are among the findings in the agency's report:

Total Soviet military expenditures amounted to 11 to 13 percent of the gross national product in 1970, and since then have increased at just above the average annual rate of G.N.P. growth. That means that the share of G.N.P. devoted to military spending has increased

slightly over the years. In comparison, American military spending dropped from 7.4 percent of the G.N.P. in 1970 to 5.2 percent in 1981.

The Soviet standard of living has increased rapidly over the last 30 years, with real consumption per capita — rising at an annual rate of 3.5 percent — tripling in that period. But gains have been smaller in recent years, reflecting the drop in the overall growth rate. Living standards remain well below those of the United States, Japan, and most of Europe, both East and West.

The greatest benefits for consumers have been in durables and soft goods. The major shortcomings have been in the housing sector, with "per capita living space in urban areas in 1980 still remaining below the minimum norm for health and decency set by the Government in 1928."

The growth in food supplies has been low, but "the quality of the diet has nonetheless improved greatly, shifting toward a pattern of less reliance on bread and potatoes and more reliance on meat and dairy products — a shift typical of other countries as per capita income rises." But this shift has slowed in recent years because of "faltering agricultural progress."

There has been a marked rise in investment as a percentage of the G.N.P., from 14 percent in 1950 to 33 percent in 1980, based on 1970 prices. In comparison, investment in the United States has dropped from 17.5 percent of the G.N.P. in 1950 to 13.8 percent in 1980.

The structure of the Soviet economy has changed dramatically since 1950, most significantly in the decline of the share of the G.N.P. given to agriculture, which dropped from 31 percent in 1950 to 14 percent in 1980. Industry increased from 20 percent in 1950 to 37 percent in 1980.

The most unusual shift is in the decline of services as a percentage of the G.N.P. from 29 percent in 1950 to 20 percent in 1980. This is contrary to the experience of most developing nations and "suggests a deliberate policy to restrain the development of services."

## Still Below Western Standards

There were no startling disclosures in the study. Soviet analysts have noted a gradual improvement in the Soviet standard of living over the years, but at the same time have reported that the level was below that of Western countries, and even lower than that in certain East European countries such as Hungary.

The importance of the study was that it provided a basis for judging Soviet economic statistics in a way comparable to Western studies.

Such studies have been done in the past by the C.I.A. on selected aspects of the Soviet economy, and by some economists on particular sectors, but this is believed to be the first comprehensive effort to put together a framework for evaluating the Soviet Union's gross national product.